



March 2, 2001

Senior Vice-President and
Chief Financial Officer
Federal Home Loan Bank of

NO-ACTION LETTER: Federal Home Loan Bank Income Statement Waiver (2001-NAL-02)

Dear Mr. :

This responds to your request of February 14, 2001 for a waiver of 12 C.F.R. § 989.4, which requires that any financial statements contained in an annual or quarterly financial report issued by an individual Federal Home Loan Bank (FHLBank) must be consistent in both form and content with the financial statements presented in the combined Federal Home Loan Bank System (Bank System) annual or quarterly financial reports prepared and issued by the Office of Finance. Your request is to add line items for 1999 and 1998 presenting REFCORP payments as a reduction of net income for the 2000 annual financial statements to be prepared by the FHLBank. Such items are not consistent with the 1999 and 1998 year-end income statements prepared for the Bank System. You have provided a pro forma 2000 income statement that presents the disclosures you wish to make.

The Finance Board approved a similar request for waiver for the FHLBank for its 1999 income statement. Since the facts of the current request are in substance identical to your prior request, the Office of Supervision will take no supervisory action if the FHLBank shows REFCORP payments on the face of its 2000 year-end income statement.

If you have any questions, please contact Mitchell Berns, Director, Office of Supervision, at 202-408-2562.

Sincerely,

James L. Bothwell
Managing Director

cc: Mitchell Berns
Jerry Schober